

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01
INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 ABF-01
AGRE-00 ITC-01 PA-02 PRS-01 DODE-00 NSCE-00 SSO-00
USIE-00 INRE-00 /081 W

-----052139Z 083655 /73

O R 052055Z JAN 77

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC IMMEDIATE 3624

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY NASSAU

AMEMBASSY PORT OF SPAIN

UNCLAS KINGSTON 0078

E.O. 11652: NA

TAGS: EFIN, JM

SUBJECT: GOJ ANNOUNCES TEMPORARY FOREIGN EXCHANGE REGULATIONS AND
TRADE RESTRICTIONS

1. SUMMARY: IN PRESS CONFERENCE JAN 5, MINISTER OF
FINANCE COORE AND MINISTER OF INDUSTRY AND COMMERCE BLAKE
ANNOUNCED TEMPORARY FOREIGN EXCHANGE CONTROLS AND IMPORT
RESTRICTIONS TO TAKE EFFECT IMMEDIATELY AND TO STAY IN
EFFECT THROUGH JAN 19 WHEN THE GOVERNMENT'S NEW "COM-
PREHENSIVE ECONOMIC PACKAGE" WILL BE ANNOUNCED. END
SUMMARY.

2. COORE ANNOUNCED THAT EFFECTIVE JAN 6, THE BANK
OF JAMAICA WILL ALLOW FOREIGN EXCHANGE TO BE PROVIDED,
AT THE CURRENT RATE OF EXCHANGE (J\$1.00-US\$1.10) ONLY FOR:

A. PAYMENTS FOR IMPORTS ALREADY LANDED

WHERE THE PAYMENTS ARE DUE OR PAST DUE;

B. FEES AND LIVING EXPENSES FOR STUDENTS ALREADY

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AT EDUCATIONAL INSTITUTIONS ABROAD;

C. EXAMINATION FEES AND CORRESPONDENCE COURSE
FEES;

D. ONE MONTH'S MAINTENANCE EXPENSES FOR
CERTAIN DEPENDENT RELATIVES LIVING ABROAD;

E. TRAVEL FOR EMERGENCY MEDICAL TREATMENT;

F. BUSINESS TRAVEL OF AN ABSOLUTELY ESSENTIAL

NATURE;

G. TRAVEL FOR ABSOLUTELY ESSENTIAL AND COMPELLING HUMANITARIAN REASONS;

H. RECONVERSION OF FUNDS CONVERTED BY TOURISTS;

I. INTEREST AND PRINCIPAL REPAYMENTS DUE IN RESPECT OF GOVERNMENT DIRECT DEBT, GOVERNMENT GUARANTEED DEBT AND OTHER DEBT OWING BY STATUTORY BODIES AND GOVERNMENT COMPANIES;

J. TRANSACTIONS OF EMBASSIES, HIGH COMMISSIONS, INTERNATIONAL ORGANIZATIONS AND THEIR NON-RESIDENT STAFFS.

3. MINISTER BLAKE ANNOUNCED THAT JAMAICA WILL NOT BE ABLE TO AFFORD MORE THAN \$600 MILLION IN IMPORTS IN 1977. THIS WILL NECESSITATE TIGHTER IMPORT CONTROLS WHICH WILL BE ANNOUNCED WITH THE REST OF THE GOVERNMENT'S ECONOMIC PACKAGE ON/ABOUT JAN 19. HE PREDICTED A SIGNIFICANT IMPACT ON POPULAR CONSUMPTION HABITS AND URGED "GREAT UNDERSTANDING"

4. BLAKE SAID THERE ARE CURRENTLY \$110 MILLION WORTH OF IMPORTS IN THE TRADE PIPELINE. THE GOJ WILL HAVE TO TAKE "A CLOSE LOOK AT THESE". HE ANNOUNCED THAT ALL EXPORT LICENSES WILL BE RECALLED FOR REVALIDATION AND WILL BE SUBJECTED TO THE CRITERIA OF IRREVOCABLE COMMITMENT AND PRIORITY NEEDS. THE RECALL WILL INCLUDE LICENSES UNCLASSIFIED

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FOR ITEMS ALREADY ORDERED BUT NOT YET RECEIVED.

OTHER ITEMS ANNOUNCED BY BLAKE INCLUDED:

A. THE GOVERNMENT INTENDS TO REVIEW THE LIST OF ITEMS NOT CURRENTLY COVERED BY EXPORT LICENSES.

B. A CLOSER LINK WILL BE ESTABLISHED AMONG GOVERNMENT AGENCIES AND THE BANK OF JAMAICA TO MORE CLOSELY RELATE LICENSING TO AVAILABLE FOREIGN EXCHANGE.

C. PUBLIC SECTOR PROCUREMENT OVERSEAS WILL BE CENTRALIZED AND SUBJECTED TO STRICT PRIORITY BASIS.

D. SPECIAL ATTENTION WILL BE GIVEN TO THE PRESERVATION OF CARICOM'S SPECIAL RELATIONSHIP.

5. BANK OF JAMAICA GOVERNOR ARTHUR BROWN, IN RESPONSE TO A QUESTION, NOTED THAT JAMAICA'S GROSS RESERVES HAD SLIPPED TO \$25 MILLION BEFORE THE FOREIGN EXCHANGE MARKET WAS CLOSED DECEMBER 22.

6. FINANCE MINISTER COORE DODGED A QUESTION CONCERNING A POSSIBLE DEVALUATION, REFUSING TO GIVE ANY ASSURANCES.
GERARD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE CONTROLS, TRADE CONTROLS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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From: KINGSTON
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770179/aaaacrax.tel
Line Count: 120
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Message ID: ebea5cdd-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3660015
Secure: OPEN
Status: NATIVE
Subject: GOJ ANNOUNCES TEMPORARY FOREIGN EXCHANGE REGULATIONS AND TRADE RESTRICTIONS
TAGS: EFIN, JM
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/ebea5cdd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009